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7 October 1954

MEMORANDUM FOR CHIEF, ESTIMATES STAFF

**SUBJECT: Post-Mortem of NIE Production for First Six Months
of 1954**

1. There is attached a draft of consolidated findings on intelligence gaps noted in NIE production for the period 1 January - 30 June 1954. This draft consists largely of the contributions received in response to my memorandum of 8 September to the several section chiefs with only minor editorial changes.

2. It is proposed that this draft be considered in detail by the General Group at the earliest possible date with a view to submitting a revised version to the Board as soon as possible.

3. The target date for IAC consideration is 26 October. In order to meet this, the following schedule is recommended:

Completion of General Group Review:	11 October
Completion of Board Review and dispatch to IAC representatives:	14 October
Meeting of IAC representatives:	20 October

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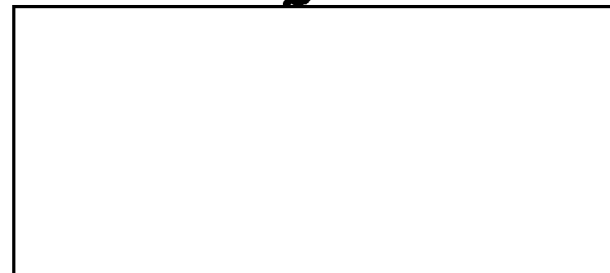
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Enclosure A

CENTRAL INTELLIGENCE AGENCY

7 October 1954

SUBJECT: Post Mortem of NIE Production for the Period 1 January
to 30 June 1954

The following is a review of intelligence deficiencies revealed during the preparation of National Intelligence Estimates during the first six months of 1954. The estimates upon which these consolidated findings are based are listed in Tab A.

1. General

In most cases substantial intelligence information was available for the NIE's produced during the period under consideration. In many cases, however, there continued to be a serious need both for more reliable intelligence and for more timely receipt and evaluation of this intelligence in Washington. In particular, there is a continuing need for better intelligence on Soviet economic and military strengths and capabilities especially in such key fields as guided missiles and electronics. Moreover, in view of the relative paucity of information and intelligence on the USSR, it is important that what is available be exploited fully. Since, generally, information is more easily obtainable on the Satellites (particularly on East Germany and East Berlin) than on the USSR

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and since intelligence on the Satellites is of considerable help in analyzing developments in the USSR, an expanded effort should be made to exploit all available channels for obtaining economic, political, scientific, and military information on the Satellites.

2. Soviet Bloc

Gaps in intelligence on the Soviet Bloc continue to be those inherent in the restrictive policies of the Communist states. However, the methods employed by US intelligence for exploiting the limited range of data available are probable capable of further development. Estimative work in the period under review indicated a need for greater collection efforts or more effective and more generally acceptable analytical methods in the following fields:

- a. Economic Trends. Intelligence on the Soviet economy continues to be scanty, but collection efforts do not appear to be capable of any radical improvement at present. Agencies having intelligence production responsibilities in this field should examine the possibility of more effective collection efforts in the Satellite area which might yield data of significance for the USSR as well as for the Satellites themselves. There is also a need for more agreement among the agencies

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on the analytical methods to be employed in working from limited data, especially in such fields as the calculation of gross national product and rates of economic growth, comparisons of the magnitude of Soviet economic achievements with those of Western countries, and estimates of the proportion of Soviet economic resources allocated to military purposes.

- b. Soviet Aircraft Performance. There is urgent need for more, and more reliable, data on the capabilities of new Soviet aircraft types, especially long-range bombers and all-weather interceptors. It should also be possible to get more agreement among the agencies concerned on methods of evaluating such data as are available. This would result in more expeditious processing than heretofore.
- c. Soviet Airfield Development. An intensified effort is required to collect more information on the development of Soviet airfields, especially those capable of supporting long-range bombers for attacks on the US and its overseas installations.
- d. Soviet Air Logistics. A greater collection effort is needed for information bearing on the Soviet logistic capability to support continuing air operations in various theaters, with special emphasis on the long-range air force and the air defense system.

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- e. Guided Missiles. There is a continuing and urgent need for more effective collection on all aspects of the Soviet guided missile program.

3. Far East

The most important deficiencies in this area were recurrent, being encountered in one form or another in the preparation of many of the estimates produced during this period. The term "intelligence deficiencies" is used in its broadest sense, since certain of the gaps listed are probably of an unknowable nature, others could be closed by greater collection efforts, while the remainder could be narrowed by improved analysis of available data. Undoubtedly, collection difficulties have greatly increased as a result of the armistice agreements in Korea and Indochina.

- a. Sino-Soviet Relations. Throughout the period under review, our ability to estimate Communist capabilities, intentions, and reactions in the Far East repeatedly turned on the central question of the existing relationship between the USSR and Communist China. More reliable information, and better analysis of existing information, are necessary on these questions: What is Peiping's role in the formulation and execution of major Communist policies in Asia? What division of responsibilities exists with respect to North Korea, Indochina, and the Asian Communist Parties? Are there any major differences over desired strategy or

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timing? For example, which partner was chiefly responsible for the Communist decision for an armistice in Korea? In Indochina? For what reasons? What is the extent and nature of Soviet economic and military assistance, particularly overland, to Communist China? What is the extent and nature of Soviet influence or control in the Chinese Communist Party and Government?

b. Communist Reactions to Certain US Courses of Action.

How far could Communist China be pushed by limited US military action before it would counteract by such measures as would almost certainly lead to unlimited war with the US? Would the USSR accept an unlimited US-Chinese Communist war, believing it could be limited to the Far East, or would it attempt to assist its ally at an almost certain risk of global war? If the latter, at what point?

- c. Chinese Communist Domestic Developments. The work done by the IAC agencies in preparing NIE 13-54 "Communist China's Power Potential through 1957," resulted in better coverage than hitherto of developments within Communist China. However, the preparation of this and other estimates during this period revealed that our intelligence coverage is still very inadequate on a number of questions, as is to a lesser extent our analysis of available data. On economic matters, we have to rely to too great a degree on

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Chinese Communist public statements. The transportation

question still has many gaps. We have too few facts on the situation in agriculture and industry. Militarily, we cannot even make any confident estimates as to the OB of Chinese Communist forces, particularly in such local areas as the Indochina and Burma borders, the east China coast, and in North Korea. We know that some kind of disciplining of party and government personnel at the highest level has been occurring, but we have no firm or detailed evidence concerning policy or personality differences within Communist China's top leadership. Lastly, the preparation of NIE 13-54 (and RIR-2 "Anti-Communist Resistance Activities and Potential in Communist China") has revealed that more reliable intelligence is needed on the question of public attitudes in China toward the regime.

d. Viet Minh Capabilities and Intentions. Our product was harmed by our continued almost exclusive reliance on French sources for both military and political information. This was particularly the case with respect to intelligence on Viet Minh military capabilities. French reporting in general continued to be often inept or distorted.

e. Minor Deficiencies

(1) The Vietnamese Army: Numbers, effectiveness, disposition, and morale.

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- (2) Indonesian politics. Our ability to estimate future trends and developments in Indonesia has been limited by scanty reporting and analysis of inter and intra-party activities, particularly at local levels.
- (3) Communist relationships in the Philippines. Relationships among the Huks, the CCP, and the PCP are not clear.
- (4) Laos and Cambodia. The effectiveness of their armed forces, and the stability of their national leaders.

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4. Western Europe

The major intelligence problems with regard to Western Europe primarily involve the evaluation, analysis, and synthesis of vast quantities of data. Such deficiencies as exist are mainly in the human resources of the intelligence community in Washington. In addition, the intelligence community is still hampered by its

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"The Probable Repercussions of a US Decision to Grant or Deny Military Aid to Pakistan" was very limited in scope, and NIE 30-54 "Prospects for Creation of a Middle East Defense Grouping and Probable Consequences of such a Development" was a very general estimate. No significant intelligence gaps were revealed, however, due largely to the nature of the estimates undertaken. It is believed that the gaps noted on pages 8 and 9 of the "Post Mortem of 1953 Production," 30 April 1954, still exist and they are therefore repeated in substance below. In addition, the weakness of the

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7 September 1954

NATIONAL INTELLIGENCE ESTIMATES PUBLISHED

FROM 1 JANUARY 1954 TO 30 JUNE 1954*

00 Series: GENERAL

None

10 Series: SOVIET BLOC

NIE 10-54	Soviet Bloc Economic Warfare Capabilities and Courses of Action (9 March 1954)
NIE 10-2-54	Communist Courses of Action in Asia through Mid-1955 (15 March 1954)
NIE 10-3-54	Communist Capabilities in Indochina (1 June 1954)
SNIE 10-4-54	Communist Reactions to Certain US Courses of Action with Respect to Indochina (15 June 1954)
SNIE 10-5-54	Soviet Bloc Reaction to Certain US Courses of Action to Restrict Bloc Representation in the US (29 June 1954)
SNIE 11-54	Likelihood of General War through 1957 (15 February 1954)
SNIE 11-2-54	Soviet Capabilities for Attack on the US through 1957 (24 February 1954)
NIE 11-3A-54	Summary of the Soviet Atomic Energy Program to Mid-1957 (16 February 1954)
NIE 11-5-54	Soviet Capabilities and Main Lines of Policy through Mid-1959 (7 June 1954)
NIE 12-4-54	Probable Developments in East Germany through 1955 (22 January 1954)

* **Note:** Prior to 22 June dissemination date is shown. Subsequent estimates show the date on which IAC action was taken.

NIE 13-54 Communist China's Power Potential Through 1957
(3 June 1954)

20 Series: WESTERN EUROPE

NIE 20-54 The Outlook for Western Europe over the Next
Decade (26 April 1954)

NIE 27.1-54 Probable Developments in Spain (17 May 1954)

NIE 28.5-54 Current Situation and Probable Developments
in Finland during 1954 ((8 January 1954)

30 Series: NEAR EAST

NIE 30-54 Prospects for Creation of a Middle East
Defense Grouping and Probable Consequences of
Such a Development (22 June 1954)

40 Series: FAR EAST

None

50 Series: SOUTH ASIA

SNIE 50-54 The Probable Repercussions of a US Decision to
Grant or Deny Military Aid to Pakistan
(15 January 1954)

60 Series: SOUTHEAST ASIA

NIE 63-54 Consequences within Indochina of the Fall of Dien
Bien Phu (30 April 1954)

SNIE 63-2-54 The Effects of Certain Possible Developments
on the Military Security and Political Stability
of Laos and Cambodia through 1954 (9 June 1954)

NIE 63-3-54 Probable Military and Political Developments in
Indochina (21 May 1954)

NIE 63-4-54 Probable Military and Political Developments in
Indochina over the Next 30 Days (15 June-15 July)
(15 June 1954)

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NIE 65-54 **The Probable Outlook in Indonesia through 1954**
(19 May 1954)

NIE 66-54 **Probable Developments in the Philippine Republic**
(23 March 1954)

70 Series: AFRICA

None

80 Series: CARIBBEAN AREA

NIE 87-54 **The European Dependencies in the Caribbean Area**
(16 March 1954)

90 Series: SOUTH AMERICA

NIE 91-54 **Probable Developments in Argentina (9 March 1954)**

NIE 92-54 **Probable Developments in Bolivia (19 March 1954)**

100 Series: MISCELLANEOUS

NIE 100-54 **Probable Effects of Increasing Nuclear Capabil-**
ities upon the Policies of US Allies (26 April
1954)

SNIE 100-2-54 **Probable Reactions of Communist China, the USSR,**
and the Free World to Certain US Courses of
Action in Korea (9 March 1954)

NIE 100-3-54 **Consequences of a Relaxation of Non-Communist**
Controls on Trade with the Soviet Bloc
(23 March 1954)

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Remarks: The list of estimates produced during the first six months of 1954 (attached separately to this draft post-mortem for your convenience) will appear as Tab A to the final paper.

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